

February 2024

**Erie County Cultural Funding Grant
Monitoring Program
Historical Society of the Town of Clarence
January 1, 2020 through December 31, 2022**



**HON. KEVIN R. HARDWICK
ERIE COUNTY COMPTROLLER**

**HON. KEVIN R. HARDWICK
ERIE COUNTY COMPTROLLER'S OFFICE
DIVISION OF AUDIT & CONTROL
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202**



February 22, 2024

Erie County Legislature
92 Franklin Street, Fourth Floor
Buffalo, New York 14202

Dear Honorable Members:

In 2023, the Erie County Comptroller's Office, Division of Audit & Control initiated a regular Monitoring Program of Erie County Cultural Funding Grants. The Erie County Cultural Funding program provides annual grants to non-profit arts and cultural organizations operating within the County. County funds are intended to be limited in their use to current operating expenses including salaries, program costs, fringe benefits, rents, utilities, office supplies, and equipment. Grant funds may not be used for or applied towards capital projects or physical improvements of buildings or facilities, nor as a revenue offset against accounts receivable. No funds received shall be used for any services provided or activities performed outside Erie County. The County's Department of Environment and Planning executes contracts with organizations and is the primary agency charged with monitoring.

Objective

The objective of the Cultural Funding Monitoring Program is to verify that the recipients have utilized County funds according to the terms and conditions associated with the Erie County Cultural Funding grant process and the recipient's contract with the County. In order to verify the proper use of the grant award, a number of agencies were selected in order to review their expenses and financial records.

Scope and Methodology

Approximately 120 different organizations receive funding annually from Erie County. The Comptroller's Cultural Funding Grant Monitoring Program is intended to review organizations that received a minimum of \$5,000 in funding during any of the three prior years. Approximately 80 agencies were identified as receiving \$5,000 or more in grant funding. The list of recipient organizations was split into two groups of approximately 40 agencies. The first batch of letters announcing the commencement of a review was sent to the selected non-profit organizations during mid-February 2023, and a second batch was sent in early October 2023. The review of all agencies is expected to be completed by May 31, 2024.

2023 – 2024 Program

During the interview phase, the Auditor identifies use of funding to narrow down the expenses to be verified. A table of agencies which meet the criteria for review along with the amount of grant awards can be found on the following page.

Monitoring Program – Phase I

ACT #	APPROPRIATION	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022
Enlightenment Literary Arts Center &				
517125	Dog Ears Bookstore	152183 \$ 28,600.00	\$ 36,600.00	\$ 35,000.00
518004	African American Cultural Center	112604 \$ 275,450.00	\$ 311,950.00	\$ 200,000.00
518012	Alleyway Theatre	109340 \$ 8,500.00	\$ 8,500.00	\$ 11,000.00
518016	American Legion Band of	100379 \$ 7,500.00	\$ 7,500.00	\$ 45,000.00
518017	Amherst Symphony Orchestra	100475 \$ 32,500.00	\$ 26,750.00	\$ 28,740.00
518019	Arts Services Initiative of WNY Inc.	147159 \$ 26,050.00	\$ 26,050.00	\$ 30,000.00
518025	Ballet Artists Of WNY (Neglia)	100794 \$ 24,000.00	\$ 24,000.00	\$ 30,000.00
Buffalo Arts Studio (Arts Studio of Western New York, Inc)				
518040	Buffalo Inner City Ballet Co. Inc	101344 \$ 38,000.00	\$ 45,500.00	\$ 53,000.00
518044	Buffalo Music Hall of Fame	108597 \$ 27,000.00	\$ 27,000.00	\$ 27,000.00
518050	Buffalo Heritage Carousel	113182 \$ 4,500.00	\$ -	\$ 5,500.00
518051	Buffalo Heritage Carousel	167829 \$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	130377 \$ 5,000.00	\$ -	\$ 12,500.00
518084	El Museo Gallery	109836 \$ 12,585.00	\$ 8,385.00	\$ 11,000.00
518104	GrayCliff Conservancy	103197 \$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518113	Hull House Foundation	143473 \$ 15,375.00	\$ 3,375.00	\$ 7,500.00
Jewish Community Center Cultural				
518119	Jewish Ctr of Greater Buff	111239 \$ 13,500.00	\$ 8,750.00	\$ 13,500.00
518120	Just Buffalo Literacy Center	108577 \$ 78,100.00	\$ 78,100.00	\$ 83,500.00
518132	Locust St Neighborhood Art Classes	109985 \$ 29,250.00	\$ 25,250.00	\$ 28,500.00
518136	Martin House Restoration	104863 \$ 175,500.00	\$ 175,500.00	\$ 190,000.00
518139	Museum of Art	159815 \$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518140	Polish Arts Club Of Buffalo Inc	106132 \$ 7,000.00	\$ 7,000.00	\$ 3,200.00
518147	Preservation Buffalo Niagara	147509 \$ 4,615.00	\$ 4,615.00	\$ 9,000.00
518160	Springville Center For The Arts	113308 \$ 30,505.00	\$ 20,505.00	\$ 36,000.00
518164	Squeaky Wheel	101268 \$ 20,920.00	\$ 20,920.00	\$ 27,000.00
518172	Theodore Roosevelt Inaugural Site	106552 \$ 32,320.00	\$ 32,320.00	\$ 37,000.00
518176	Ujima Company	101047 \$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518180	Western New York Artists Group	108295 \$ 6,275.00	\$ 6,275.00	\$ 7,500.00
518181	WNY Book Arts Collaborative, Inc	135959 \$ 4,640.00	\$ 4,640.00	\$ 6,000.00
518184	Young Audiences Of WNY	109818 \$ 10,500.00	\$ 10,500.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	151996 \$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518200	Michigan St African Amer Heritage	152578 \$ 15,000.00	\$ 15,000.00	\$ 32,500.00
518201	General Pulaski Association	103060 \$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brighton Place, Inc	156194 \$ 10,000.00	\$ 16,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	159305 \$ 12,000.00	\$ 20,000.00	\$ 24,500.00
Black Rock Historical Society/Black				
518216	Rock-Riverside Alliance	170369 \$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500 \$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518245	South Buffalo Irish Feis/Can You Dig	113041 \$ 18,000.00	\$ 15,000.00	\$ 15,000.00
518296	Net Positive DBA The Foundry	168005 \$ 5,000.00	\$ -	\$ 5,000.00

Monitoring Program – Phase II

ACT #	APPROPRIATION	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022
517533	Buffalo Olmsted Parks Conservancy	140237 \$ 45,910.00	\$ 35,910.00	\$ 35,000.00
518008	Albright-Knox Art Gallery	148789 \$ 575,000.00	\$ 575,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Curator	147226 \$ 62,250.00	\$ 62,250.00	\$ -
518025	Assembly House 150, Inc	167747 \$ 1,000.00	\$ 1,000.00	\$ 6,500.00
518034	Buffalo & Erie County Botanical Garden	106743 \$ 102,000.00	\$ 125,000.00	\$ 150,000.00
518056	Buffalo & Erie Co Historical Society	108772 \$ 417,800.00	\$ 667,000.00	\$ 437,000.00
Buffalo & Erie County Naval & Servicemans				
518052	Park	105139 \$ 35,000.00	\$ 35,000.00	\$ 50,000.00
518060	Buffalo Philharmonic Oath Society	101052 \$ 926,000.00	\$ 926,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	109756 \$ 34,500.00	\$ 34,500.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	109787 \$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518065	Buffalo String Works, Inc	187351 \$ 3,500.00	\$ 3,500.00	\$ 3,351.00
518068	Burchfield Penney Art Center	891086 \$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Exploratory and Perceptu	105934 \$ 55,000.00	\$ 55,000.00	\$ 62,000.00
518082	Danceability	156639 \$ 2,900.00	\$ 5,500.00	\$ 3,000.00
518096	Explore & More Children's Museum	102758 \$ 42,000.00	\$ 42,000.00	\$ 75,000.00
518108	Haltwalls Contemporary Arts Center	108598 \$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nat Hist Society/Penn-Diwe	103282 \$ 36,314.00	\$ 36,314.00	\$ 36,314.00
518116	Irish Classical Theatre Company	101727 \$ 83,500.00	\$ 83,500.00	\$ 93,500.00
518124	O'Connell College Kennedy Theater	105941 \$ 11,750.00	\$ -	\$ 3,500.00
518128	Lancaster Opera House	111681 \$ 45,800.00	\$ 30,300.00	\$ 35,000.00
518140	MusicalFace Theatre	105308 \$ 61,525.00	\$ 61,525.00	\$ 66,000.00
518141	New Phoenix Theatre	809343 \$ 7,500.00	\$ 7,500.00	\$ -
518145	Road Less Traveled Productions	121043 \$ 63,500.00	\$ 63,500.00	\$ 67,000.00
518152	Roycroft Campus Cooperation	114213 \$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518156	Shakespeare in The Park	109673 \$ 95,000.00	\$ 95,000.00	\$ 95,000.00
518168	Theatre Of Youth	899886 \$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518173	Tom Space Theatre	141873 \$ 27,460.00	\$ 15,540.00	\$ 29,500.00
518188	Zoological Society Of Buffalo	808623 \$ 1,900,000.00	\$ 1,900,000.00	\$ 1,700,000.00
518195	Orchard Park Symphony Orchestra	147742 \$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518202	Buffalo Opera Unlimited Incorporated	155973 \$ 3,300.00	\$ 2,300.00	\$ 10,000.00
518203	Buffalo-Toronto Public Media WHEB/WFTO	173009 \$ 1,750.00	\$ -	\$ 3,000.00
518205	Cheektowaga Comm Symphony Orchestra	109177 \$ -	\$ 7,500.00	\$ -
518209	Newstead Historical Society	105318 \$ 3,500.00	\$ 3,500.00	\$ 5,000.00
518213	O'Connell & Company Productions	159182 \$ 23,800.00	\$ 23,800.00	\$ 31,500.00
Amherst Male Glee Club dba Red Straz				
518219	Men's Chorus	162045 \$ 3,000.00	\$ 3,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	151207 \$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518226	Cheektowaga Historical Association	162123 \$ 3,250.00	\$ 6,250.00	\$ 6,100.00
518229	Second Generation Theatre Company	166957 \$ 2,000.00	\$ 2,000.00	\$ 5,000.00
518230	Steel Plant Museum of Western New York	147740 \$ 2,000.00	\$ 2,000.00	\$ 3,000.00
518263	Alden Children Theatre Society	114258 \$ 30,000.00	\$ -	\$ 3,000.00
518214	Clarence Concert Association	101711 \$ 3,500.00	\$ -	\$ 3,000.00
Clarence Museum (Historical Soc. of the				
518215	Town of Clarence	133867 \$ 5,900.00	\$ -	\$ 6,000.00

BEST PRACTICES

Over the course of the Monitoring Program, the Division of Audit found a number of problematic practices and questionable expense categories on a recurring basis. In order to address issues pertaining to a large number of organizations, certain generally applicable best practices and recommendations are included here.

Alcohol

Several organizations used or appeared to use CGF funds to obtain alcohol. While the Division of Audit does not recommend that CGF awards be made contingent on the absence of alcohol from events hosted by the organization, alcohol should not be purchased with CGF funds. The Division of Audit found dozens of alcohol purchases that appeared to be personal in nature and several more which likely violated NYS Alcoholic Beverage Control Laws. Furthermore, the NYS Comptroller has long held that alcohol is not a "lawful county charge", meaning that government officials and employees may not use taxpayer funds to purchase alcohol. The Division of Audit sees no reason that organizations receiving taxpayer funds should be treated differently.

Debit Cards

Credit cards, particularly with smaller organizations, can provide a critical layer of expense control. The Division of Audit found a large quantity of small-dollar expenses appearing personal in nature. If a debit card is used, the money is gone by the time statements are typically reviewed, while a credit card bill often needs to be paid and approved by the organization's board of directors.

Alternate Funding Sources and Segregation of Accounts

Organizations may have several sources of governmental or philanthropic funding. One way to ensure that CGF funds go farthest is to tailor awards to the needs of the organization. Such an assessment would require

applicants to provide certain financial documents covering prior years and a disclosure of current year funding applications. Furthermore, accounts received from Erie County should not be comingled with the other funds of the organization. Having source information upfront and requiring the segregation of accounts substantially decreases the likelihood of wasted CGF funds.

HISTORICAL SOCIETY OF THE TOWN OF CLARENCE

BACKGROUND

The Historical Society of the Town of Clarence (HSTC or Society) is a non-profit organization established in 1954 to preserve and share the history and heritage of the Town of Clarence as one of the first townships established in Erie County. HSTC showcases artifact collections, exhibits, books, manuals and genealogical records of the Town of Clarence. The HSTC is chartered with the New York State Department of Education.

HSTC received \$5,500 in County Cultural Grant funding in 2020.

Funding received by HSTC during 2021 and 2022 was determined to have been awarded as part of Legislative Earmark Grants such as the Public Benefit Funding Grant or Community Organization Relief Fund. Therefore, those years are outside the scope of the monitoring program.

AUDITOR'S OBSERVATIONS

HSTC operates a museum inside a property which is owned by the Town of Clarence. HSTC hosts exhibits and other events free of charge for the community. In addition to historical exhibits, the organization has a manuscript library and makes genealogical reference documentation available to the public. HSTC also hosts an annual speaker series on topics related to the establishment and history of the Town of Clarence.

HSTC currently does not have any paid positions. In years prior, the organization has offered compensation to interns and curators. However, in recent years, all staff members have been volunteers.

The largest source of funding for the HSTC is the Town of Clarence, as the organization is mainly supported by funds from the Town's operating budget. Other sources of funding for the organization include private donations, membership fees and an annual appeal campaign. The organization does not host social fundraising events such as dinners or galas.

A review of the organization's bank statements, cancelled checks, credit card statements and other financial documentation indicated that expenses incurred by the HSTC were related to programming and operating functions. No questionable or unallowable expenses were identified.

CGFs received by the HSTC are allocated to offset the cost of annual operating and programming expenses such as the rental of copier machines, honorariums for speakers, advertising expenses and insurance premiums. CGF amounts received in 2020 were not fully utilized by the organization as they were mandated to shut down operation during the COVID-19 pandemic, during which the Town of Clarence required all government owned properties to undergo an immediate shutdown. The HSTC is housed in a Town owned building and was thus required to follow the Town's COVID protocol. The remaining unutilized funds were placed in a savings account, to be utilized during the subsequent year. HSTC was unaware that the CGFs needed to be spent in the year it was received per the County's contract. HSTC secured the funding directly through their County Legislator and did not go through the established process for CGF.

AUDITOR'S CONCLUSION

During the course of this analysis, it was determined that for the year 2020, HSTC received funding which was classified as a Cultural Agency Grant. Such County funding usually goes through a vetting process by the Department of Environment and Planning. HSTC told the Auditor that it was unaware of the different grant programs the County offers and their requirements. Therefore, HSTC did not realize that the County funds needed to be spent in the year they were received. HSTC was advised that once a funding service contract is executed, it is required to follow the guidelines and stipulations within the established contract. HSTC was advised that per § 22 of the Erie County Cultural Service Contract, the use of County CGF funds shall be limited to current operating expenses including salaries, program costs, fringe benefits, rents, utilities, office supplies and equipment.

HSTC was notified that CGF amounts are to be utilized to cover programming and operating expenses in the year in which it was received. The Auditor advised HSTC that regardless of the type of funding received, recipients are required to adhere to the guidelines established in the executed contract.

HSTC is currently governed by a Board of Directors consisting of eight members, including two members who are spouses. It was noted that the organization's by-laws have established terms. However, most board members continue to serve on the Board beyond their term limits. The Auditor determined that even though board members are holding positions for many years, there appears to be an adequate system of internal controls. The organization segregates duties and responsibilities, has a requirement for dual signatures on checks and performs adequate review of income and expenses throughout the year. The organization's President and Treasurer are married. However, a third member of the board has signing authority and access to all financial information to avoid potential conflicts of interest.

The Historical Society of the Town of Clarence is currently in compliance with the filing of all returns and other federal and state obligations.